

## **Stolen Customers**

**Good Faith**  
**Fair Dealing is imposed upon this**  
**Contract: No one should do**  
**Anything which effectively**  
**destroys the** of the other  
**Party**

- **TMB has certain Commissions on the**  
**solicited for MCI (Par.2C. 1991)** it

**move Agent Customers** **solicit and**

**set up new accounts for**  
**existing Agent Customers**

**MCI apparently dissolved a contract term previously**  
**established with Customer and moved**  
**Customer to new**

- **Customers have been**
- **on Changed Revenue, however,**
- **MCI apparently**  
**to Agent**
- **MCI** **Despite**  
**Repeated Notification of apparent Thefts by Agent**

## Ability to Identify and Restore Apparent Stolen Agent Customers

Agent SS # Can be Used to

Identify Agent Customers

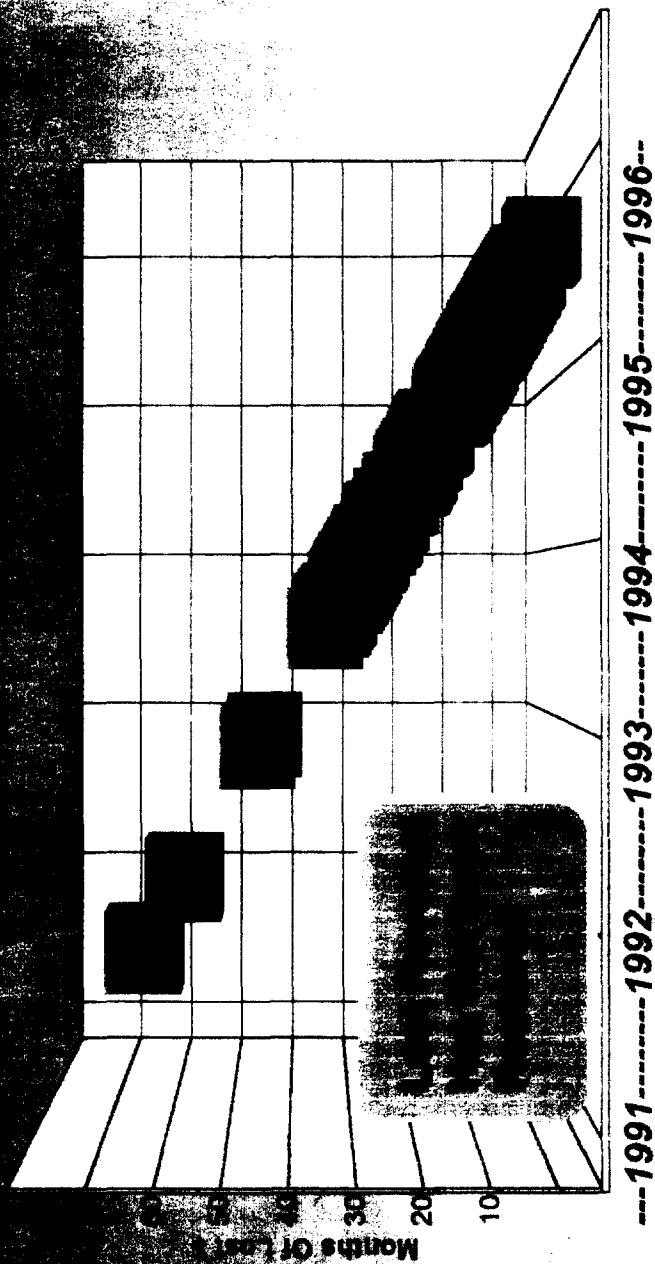
MCI

Disconnect Reports, which, in some  
Point out Potential Customers

Customers

- Agent has included A **Disconnection Report** in its Customer Orders For Order Entry in Agent Customers' Records, However Thefts Continue
- MCI announced Agent Customers would be routed to **Disconnection Reports**, However Apparent Thefts continue

# Sample of Theft Incidents Against Agent



Case Examples Follow

**MCI Rep Apparently Solicited Agent Customer  
MCI Notified of Theft**

**Repeated True Up Requests**

**MCI Seemingly Misrepresented That Customer Was Canceled and**

**Agent Found Information That Customer Was Active and  
Billing Notified**

- **Commission Management Seemingly Informed**
- **Information to Agent, Information Due**
- **Agent Seemingly Informed of Customer Usage;**
- **Information to Agent, Information Due**
- **Information to Agent, Information Due**
- **Continues to Be Active, Credits Applied**
- **However, Information to Agent, Information Due**
- **Substantially on MCI**

**Over 40 MONTHS OF STOLEN REVENUE,  
BILLING UP TO \$200,000 MONTHLY**



**EXHIBIT 27. A**  
***Possibly Identifies the MCI Rep and  
The Apparent Theft of Account***

MEMORANDUM

TO: ROY TANNER  
FROM : JAMES BARNETT JB  
DATE: JULY 1, 1992  
RE: MEMO DATED OCTOBER 2, 1991 TO KJERSTEN TERRY RE:  
A-PLUS COMMUNICATIONS

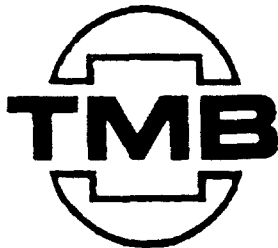
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My commission recap sheet for March 1992 revenue on Account #6974185 was based on the amount of \$2,505.28.

I was told the April revenue on this account went to -0-. Through further research I discovered that Ron Freed from MCI Nashville, TN. office terminated my existing account number and transferred it over to a new account number of 10049033 in his name.

It is more than obvious that this was done for commission purposes and not because of changes on this account. In fact the revenue on A-Plus Preferred for April was \$2,764.14 and for May was \$3,675.01.

As we have shown in the original memo, I established the account and have received approval to continue to keep the account under TMB's name.

Your help in this matter is greatly appreciated and needed.



MCI AUTHORIZED AGENT

**MCI**

**EXHIBIT 27. B**

***Letter Appealing For Restoration of  
Apparent Stolen Account and  
Apparent Stolen Revenue***

August 10, 1994

Mr. William F. Joscelyn  
Agent Territory Manager  
MCI Telecommunications  
Alternate Channels Division

Dear Bill,

TMB has had a long standing true up request into Alternate Channels for the continuation of commissions due the company on A Plus Communications revenues. The purpose of this letter is to present the issue to you and request your help to secure the continued payment of the overdue commissions to TMB.

**Background Events**

TMB first introduced MCI service to A Plus Communications and established account 6974185 for company wide service for all business locations at that time in April of 1991.

From the outset, TMB spent considerable effort developing and implementing an account strategy that moved A Plus away from AT&T and built their confidence in MCI, despite a bad experience with TELECOM USA.

The result was that TMB grew business for MCI at a rate of as much as thirty 800 numbers per month. TMB continued to aggressively grow the account and to build strong professional relationships until the MCI Nashville office moved to subvert our existing account in late 1991.

**TMB COMMUNICATIONS, INC.**

225 SOUTH WESTMONTE DRIVE, SUITE 3330 ALTAMONTE SPRINGS, FLORIDA 32714 (407) 774-1100

At that time, TMB appealed to Alternate Channels to prevent the takeover of our account; unlike a situation where TMB might be competing with another MCI channel to get the business, TMB had already solicited and was effectively servicing A Plus' business. This issue was repeatedly brought to our MCI support contacts, including Kjersten Terry, Debi Keck, John Misko and others. Exhibits A, B C and D are examples of our discussions and correspondence on this issue at that time.

Regrettably, there was no definitive action that prevented Nashville from taking the account, and on or about August of 1991, Nashville closed out A Plus' Corporate I.D. under TMB and reestablished Corporate I.D. 99123038, 99123514 and later 99933214, on which TMB was not paid. Of course, TMB continued to appeal to Alternate channels for either intervention or assurance that commissions would be paid.

Around October of 1991, Debi Keck and Don Geinger visited TMB; the A Plus situation was discussed and Debi and Don, in particular, were surprised that TMB was not still paid on the A Plus account. TMB was clearly told that the preference was for TMB to back off the account in the interest of avoiding an internal political issue, but that Alternate Channels would pay TMB on the A Plus Communication revenue.

Following their visit, the previously submitted A Plus documentation was again forwarded to Alternate Channels. Shortly thereafter, Debi and Don's commitment was confirmed and, commissions were paid intermittently, to TMB on the A Plus revenues and Corporate I.D.'s by on or about February 1992 until A Plus dropped off of TMB's commission run around November of 1992.

With the exception of a true up in early 1993, TMB has submitted several unsuccessful true up requests against A Plus revenues since November of 1992. We were told that A Plus cancelled and that there no longer any revenue. More accurate information has come to light, however, establishing that A Plus is still on service under Corporate I.D. 99379402 and is billing \$70,000 to \$100,000 monthly.



Moreover, TMB was charged \$(8,999 99) against A Plus on our May 1994 commission run; this is apparently an incentive credit due to the customer in return for the revenue term and commitment under 99379402. Ironically, TMB has not equitably had the benefit of the 99379402 term and commitment revenue stream but have been charged part of the offset credit.

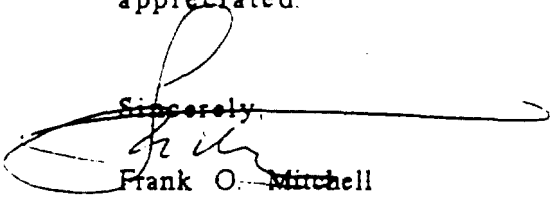
#### Conclusion

Alternate Channels has already established that TMB should be paid on full A Plus revenue. Debi Keck and Don Geinger were part of the management decision to do so in late 1991, and Alternate Channels has consistently paid TMB on A Plus Corporate I.D. revenues until late 1992. It is recognized that this is the only fair thing to do when TMB has been asked to step away and yield its customer and future earnings to another MCI organizations. This decision is also consistent with the TMB MCI agreement

Based upon past management decisions, past demonstrated practices of paying our commissions and the spirit of our relationship agreement, we are confident that TMB is entitled to be paid on full A Plus revenues.

We are therefore looking to work with you to effect the true up of past and future A Plus revenues for TMB. As always, your help is appreciated.

Sincerely,



Frank O. Mitchell

**EXHIBIT 27. C**

**Misrepresentation of actual Customer  
Revenue By MCI Commissions; Apparent  
Attempt to Underpay Commissions**

NOV 30, 1994 11:17PM MCI ALTERNATE CHAN

No. 7549 P. 3/3

**TELEMANAGEMENT BROKERS  
A+ COMMUNICATIONS**

11/30/94 JMS

REVENUE MONTH	REPORT REVENUE	TRUE-UPS	TOTAL REVENUE	DIFFERENCE FROM OCT '92
OCTOBER 1992	\$20,024.71		\$20,024.71	
NOVEMBER 1992	\$4,751.82		\$4,751.82	\$15,272.89
DECEMBER 1992	\$4,121.59	\$13,128.17	\$17,249.76	\$2,774.95
JANUARY 1993	\$4,151.58	\$12,929.06	\$17,080.64	\$2,944.07
FEBRUARY 1993	\$4,246.65	\$8,752.56	\$12,999.21	\$7,025.50
MARCH 1993	<del>\$4,246.65</del>		<del>\$4,246.65</del>	<del>\$15,778.06</del>
APRIL 1993	\$15,579.50		\$15,579.50	\$4,445.21
MAY 1993	\$8,427.50		\$8,427.50	\$11,597.21
JUNE 1993	\$2,018.10		\$2,018.10	\$18,006.81
JULY 1993	\$3,851.04		\$3,851.04	\$16,173.87
AUGUST 1993	\$3,721.38		\$3,721.38	\$16,303.35
SEPTEMBER 1993	\$3,318.94		\$3,318.94	\$16,705.77
OCTOBER 1993	\$2,799.19		\$2,799.19	\$17,225.52
NOVEMBER 1993	\$2,125.79		\$2,125.79	\$17,898.92
DECEMBER 1993	\$2,004.17		\$2,004.17	\$18,020.54
JANUARY 1994	\$2,752.96		\$2,752.96	\$17,271.75
FEBRUARY 1994	\$1,644.85		\$1,644.85	\$18,379.86
MARCH 1994	\$2,642.87		\$2,642.87	\$17,381.84
APRIL 1994	\$1,634.15		\$1,634.15	\$18,390.56
MAY 1994	(\$8,329.48)		(\$8,329.48)	\$28,354.19
JUNE 1994	\$2,189.00		\$2,189.00	\$17,835.71
JULY 1994	\$1,532.32		\$1,532.32	\$18,492.39
AUGUST 1994	\$1,110.38		\$1,110.38	\$18,914.33

GRAND TOTAL

**\$336,192.90**

**EXHIBIT 27. D**

**Demonstration from MCI Records of  
the Actual Customers Revenue; Far  
Exceeds that Represented to Agent**

NATIONAL MARKETING SYSTEM  
CLIENT REVENUE SUMMARY

12/15/94  
Program: MAJO

Client: NO662510 A+ COMMUNICATION/CO NASHVILLE

TN

DATE	DOM USG AMT	DOM DURATION	INT USG AMT	INT DURATION	TOT INVOICE
12/94	21223.16	106655	305.54	420	16756.95
11/94	109699.59	629674	735.74	1112	83708.85
10/94	108447.23	625073	945.00	1463	100712.94
09/94	101095.57	584931	916.59	1427	86510.36
08/94	96500.50	561272	917.89	1479	82582.75
07/94	102622.64	590872	899.56	1524	87671.65
06/94	231682.97	1394272	1157.03	2138	213770.08
05/94	22722.94	112117	279.53	570	18416.43
04/94	100195.41	576246	460.29	881	100448.18
03/94	91068.93	523787	340.02	617	93034.06
02/94	103863.55	618566	381.29	674	103208.25
01/94	79504.75	464659	262.76	520	85513.54

## Summary of Amount Due

A+ COMMUNICATIONS  
2416 HILLSBORO RD  
NASHVILLE, TN 37212

BILLING PERIOD 01/15/96 THROUGH 02/14/96

INVOICE NUMBER 74439956  
INVOICE DATE 02/25/96  
PAGE NUMBER 1  
BILL PAYER ID 00329550

CUSTOMER NUMBER 99123038

**EXHIBIT 27. E**

*Demonstration from MCI Records of  
the Actual Customers Revenue; Far  
Exceeds that Represented to Agent*

## DESCRIPTION

TOTAL  
LOCATION  
CHARGES

## CURRENT CHARGES UNDER CSP DISCOUNT

## USAGE

DOMESTIC	\$0.00
DOMESTIC - TOLL FREE	80,758.77
EXTENDED CALL COVERAGE - TOLL FREE	531.07
INTERNATIONAL	0.00
DIRECTORY ASSISTANCE	0.00
TOTAL	\$81,289.84

## DISCOUNTS

\$24,378.98CR

## NON-USAGE

FEATURES	\$1,156.67
MISCELLANEOUS*	0.00
EQUIPMENT AND OTHER CHARGES	0.00
TOTAL	\$1,156.67

## DISTRIBUTED FEATURE CHARGES

\$64.22

## PROMOTIONS AND OTHER ITEMS

\$250.00

## TAXES

\$1,854.22

## TOTAL CURRENT CHARGES

\$60,235.97

## OUTSTANDING CHARGES

\$112,617.53

## TOTAL DUE UPON RECEIPT

\$172,853.50

\*Miscellaneous: Charges for special services, surcharges, and other one-time items.

**EXHIBIT 27.E**

**Agent Asking For True Disclosure of  
Customer Revenue; Commissions Never  
Disclosed Nor Restored Revenue**

Date: Mon, 12 Dec 1994 13:16  
Via: 1  
To: AMOSKOWITZ  
Subject: A PLUS

Hi Arla,

Thank you for your fax and for your follow up telephone calls. We appreciate all that you and others have done on this matter since we last wrote MCI concerning this topic in early August.

I am trying to understand the pieces of information related to this matter; as you know this predated my coming to TMB so we are trying to extract from the institutional memory.

At this point we are neither in a position to confirm, deny accept or reject. We simply are trying to get a complete understanding of the information. In our telephone conversation you told me that this customer is billing about \$19,000 per month, therefore the numbers you put together represent a good scenario for TMB. We would appreciate your researching the revenues for this customer through the subject period. If we can get the information in front of us we will be in a position to work together to figure out the best course of action.

As always, thanks for your help.

Frank Mitchell

**Agent Brought Customers  
MCI Notified**

**Discount Offers Made**

**Revenue Disappears**

**Agent Requests Make Up of Revenue From MCI**

**Commissions**

**MCI**

**Over 50 Months of Stolen Revenue,**

**BILLING UP TO \$55,000 MONTHLY**

**\$1-2  
Million  
Lost**

Date: Thu, 3 Nov 1994 6:55  
Via: 1  
To: Donald Gienger / MCI ID:371-2014  
Subject: Potential Channel Conflict  
Cc: William F. Joscelyn / MCI ID:257-8008  
Cc: DEBI KECK / MCI ID:441-5064

## **EXHIBIT 28. A**

**Agent Notifies MCI of Apparent Thefts;  
Customer And Revenue Never Restored**

\*\*\*URGENT\*\*\*

Dear Don:

We have just been given information suggesting that sales reps from the MCI Mount Laurel New Jersey Branch are soliciting Ansercom, a TMB account. Ansercom

was first introduced to MCI by TMB; We are in contact with this account

several times daily, Kjersten Terry's organization and TMB actively service the account and, as a result have grown Ansercom from a small

Preferred account to approximately \$20,000 monthly. With the continued and responsive support of MCI, TMB and Alternate Channels has the opportunity to double and triple this

account as we have done with many other customers.

When you were here just a few days ago, we discussed our serious concern over the continued solicitation and unrightful movement of TMB's customers by other MCI channels. You told us that your point of view as to the "rules of engagement" concerning TMB and other MCI channels is that MCI reps would not be permitted to solicit TMB accounts, just as TMB cannot write existing MCI accounts. Further, you expressed that when it has been found that MCI reps are unrightfully soliciting TMB accounts, then MCI would immediately act to ensure that any intrusion were stopped.

This appears to be a case in point and we are writing to petition the urgent intervention by MCI to investigate this matter and to summarily stop the continuation of any found intrusion. We need your help with this matter since MCI does not normally permit TMB to have either the ready access to information needed to investigate these situations, nor the remedies to "enforce the rules of engagement" which you described; consequently our hands have been and continue to be tied from taking the actions necessary to protect the viability and growth of TMB's business.

As you know, there are other instances where MCI has move TMB customers without

our prior knowledge or concurrence. We could use your help with another related situation involving TMB's customer, Dillard/Palmer Paper. We wrote almost a month ago informing Alternate Channels of suspected MCI "activity" around this account; our communication was acknowledged but there has not been any follow up statement of any fact finding that would be carried out or any course of action that would be taken.

As always Don, we appreciate and very much need your help.



Date: Mon, 19 Dec 1994 14:32  
Via: 1  
To: WJOSCELYN  
Cc: DONALD GIENGER \ MCI ID: 371-2014  
Cc: ROBERT BOORIN \ MCI ID: 393-9160  
Subject: NEW TMB THREATENED ACCOUNT

**EXHIBIT 28. B**  
**Agent Notifies MCI of Apparent Thefts;  
Customer And Revenue Never Restored**

Dear Bill,

This follows our telephone call notifying you of another TMB customer who is currently being approached by another MCI Sales Channel.

Signature Insurance has been a customer of TMB for nearly two years and bills approximately \$25,000 to \$30,000, annually. It appears that they have approached with a newly developed MCI association program through the Agency Market Access Corp., to which they belong. A MCI contact name is Nancy Nolan VNET # 951-1246. From our discussions with you, Don and Bob. TMB should be able to offer this program to our customer and end any further movement of this other sales channel into this customer.

We are faxing you ,separately, copies of some of the documents that have been presented to our customer. We would appreciate your forwarding any papers that we need to secure this benefit for our customer and ensure that they remain as part of our book of business.

Thanks,

Frank

**Agent Customer in 1988**

**Revenue Suspected 50 months of Lost  
Nationwide Billing of \$500,000 Monthly**

**Agent Customer in 1986**

**Revenue Suspected 50 months of  
Loss of Lost Revenue to Agent**

**Frito Lay Co:**

**; Statewide locations including  
Miami, Hollywood, Orlando and Pompano;**

**Combined  
130 Months  
Lost \$**

## Agent Customer In 1986

Not paid on billings  
on full customer 60 months or more of Lost Revenue  
Agent Not paid

## National Commission Structure:

Corporate Relationship Statewide,  
covering locations Lake Worth, Clearwater, Port Charlotte,  
Ft. Meyers, Tampa, St. Petersburg, Holiday  
and Hallandale Florida;

Combined  
105 Months  
Lost \$

October 24, 1989

**EXHIBIT 30. A**  
***Illustrates Avis HQ And All Florida  
Was Agent Customer***

Mr. Ed Jerome  
AVIS RENT-A-CAR SYSTEM, INC.  
World Headquarters  
900 Old Country Road  
Garden City, NY. 11530

Dear Ed:

As per our discussion last week, I am writing to confirm that all the Avis locations in Florida have been converted to Corporate Billing Option.

Each location will still receive an invoice showing all charges and call detail that a normal single account would receive. The only difference you will experience is that all Avis locations are combined into a single master billing account, so that your company can benefit from increased volume discounts, computed on total usage for each Telecom\*USA product. The Master Account receives a Master billing summary, showing each sub-accounts billing and long distance usage.

The locations and service type are as follows:

- 1) Avis - West Palm Beach - Equal Access & Dialers
- 2) Avis - Lakeland - Equal Access & Dialers
- 3) Avis - Clearwater - Equal Access & Dialers
- 4) Avis - Boca Raton - Dialers
- 5) Avis - Dania - Equal Access
- 6) Avis - Orlando/Bear Road - Equal Access & Dialers
- 7) Avis - Stuart - Dialers
- 8) Avis - Tampa Airport - Equal Access & Dialers
- 9) Avis - West Palm Beach Airport - Equal Access & Dialers
- 10) Avis - Bradenton - Equal Access
- 11) Avis - Sarasota Airport - Equal Access
- 12) Avis - Tampa - Equal Access & Dialers
- 13) Avis - Melbourne - Equal Access & Dialers
- 14) Avis - Casselberry - Equal Access & Dialers
- 15) Avis - Daytona - Dialers
- 16) Avis - Tampa/Retail - Equal Access & Dialers
- 17) Avis - Miami - Equal Access

If you have any questions don't hesitate to call me at 800-476-0099.

Cordially,

Telemanagement Brokers Inc.

**EXHIBIT 30. B**  
**Partial MCI Record Showing Active  
 Customer History; Agent Not Paid**

NAME LOCATOR SCREEN

NAME ENTERED: AVIS RENT

	CUST #	NAME	CITY	ST	CONS #	INST	CYC	CR
01	4V810432	AVIS RENT A CAR SYSTEM	TAMPA	FL		011794	67	LD
02	4E433766	AVIS RENT A CAR 406	CANYON LAKE	TX	47040216	061091	52	LB
03	4D130672	AVIS RENT A CAR SYSTEMS	GREENSBORO	NC		060994	93	
04	D1926712	AVIS RENT-A-CAR	EAST POINT	GA	00300018	110485	50	F2
05	D2349963	AVIS RENT-A-CAR	GREER	SC		051286	50	HB
06	4D029162	AVIS RENT-A-CAR	NASHVILLE	TN		042987	81	L2
07	4D311364	AVIS RENT-A-CAR	TAMPA	FL	99063369	103090	80	
08	4D311365	AVIS RENT-A-CAR	CLEARWATER	FL	99063369	103090	80	
09	4D311372	AVIS RENT-A-CAR	CLEARWATER	FL	99063369	103090	80	
10	4D311373	AVIS RENT-A-CAR	CLEARWATER	FL	99063369	103090	80	
11	4D311374	AVIS RENT-A-CAR	SAINT PETERSBURG	FL	99063369	103090	80	
12	4E185337	AVIS RENT-A-CAR	MEMPHIS	TN	00310019	102191	81	LD
13	4D739422	AVIS RENT-A-CAR	ATLANTA	GA		091091	52	
14	4D271645	AVIS RENT-A-CAR SYSTEMS	JACKSONVILLE	FL		051393	93	
15	4D489406	AVIS RENT-A-CAR SYSTEMS	GREENSBORO	NC	00300018	101089	81	
16	4D311368	AVIS RENT-A-CAR SYSTEMS	TAMPA	FL	99063369	103090	80	LD
17	4D311369	AVIS RENT-A-CAR SYSTEMS	TAMPA	FL	99063369	103090	80	HC

LINE NUMBER:

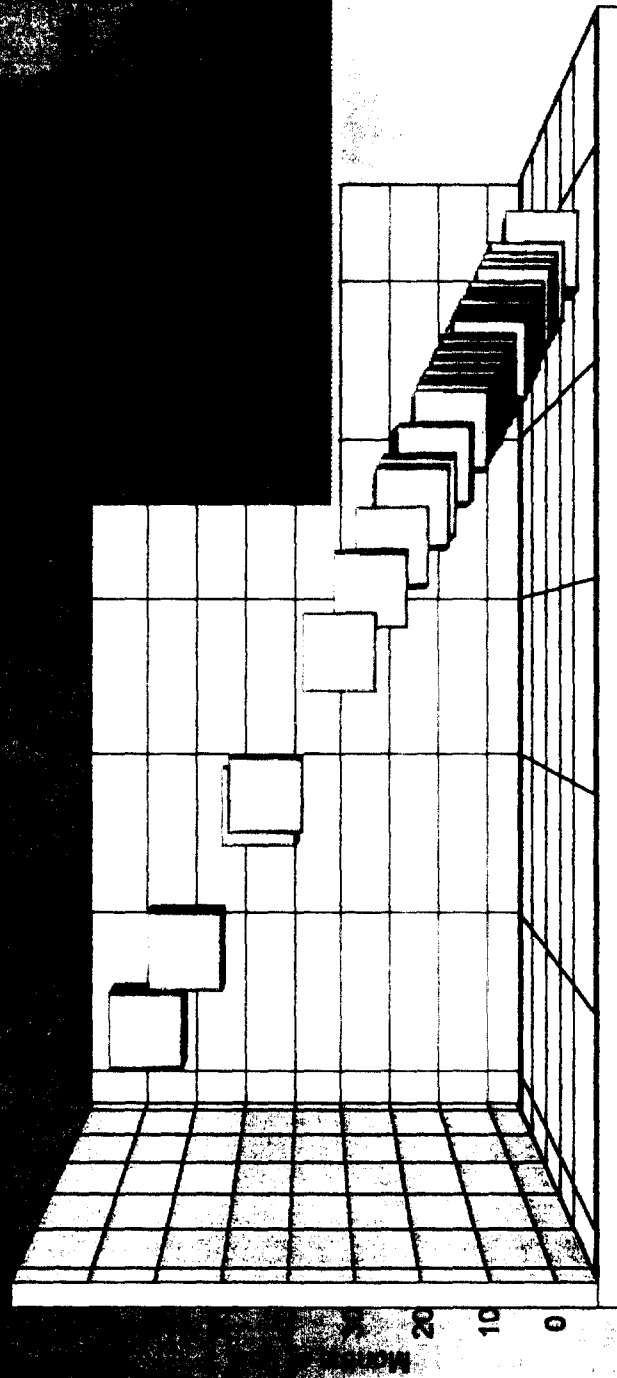
SCREEN:

SEARCH TYPE:

IDENTIFIER:

MORE PAGES

# Example Stolen Customers With Changed Accounts



--- 1991 --- 1992 --- 1993 --- 1994 --- 1995 --- 1996 ---

*Case Examples Follow*

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**N.Y. Rep Apparently Solicited Agent Customer  
Offered Special Incentive**

**Informed MCI**

**No Response**

**Apparent Theft**

- **Agent Continued to Submit True Ups and Followed Up With MCI**

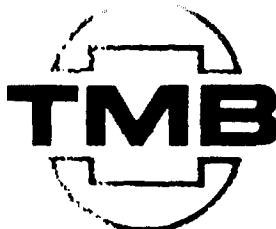
- **Revenue Billing to New Corp From Old Agent Corp ID's Apparently by MCI Rep After MCI Notified of Apparent Theft**

- **Account Deactivated Creditly**

- **However, MCI Records Show That Account Active and Substantially Billing**

**OVER 30 MONTHS OF STOLEN REVENUE,  
BILLING UP TO \$70,000 MONTHLY**





MCI AUTHORIZED AGENT

**MCI**

**EXHIBIT 32. A**

***Letter Appealing For Restoration of  
Apparent Stolen Account and  
Apparent Stolen Revenue***

August 17, 1994

Mr. William F. Joscelyn  
Agent Territory Manager  
MCI Telecommunications  
Alternate Channels Division

Dear Bill,

The purpose of this letter is to request your help with a true up of American Frozen Foods and related accounts; This true up has become necessary because the MCI Stamford office sold into an existing TMB Alternate Channels customer and changed Corporate I.D. 's.

**Background**

For your information, American Frozen Foods is a long standing customer of TMB. Our Agent has continued to service the account, had the account on a VIP and had submitted request for proposal on outstanding locations.

The Stamford MCI office approached our customer with a product to which we have no access that provides extraordinary incentives including the nullification of their current term agreement.

Once the movement into our customer was identified, there was a conference call concluding that TMB would get paid for the new

**TMB COMMUNICATIONS, INC.**

225 SOUTH WESTMONTE DRIVE, SUITE 3330, ALTAMONTE SPRINGS, FLORIDA 32714 (407) 774-1100



Corporate I.D. Additionally, Alternate channels assured us that American Frozen Foods would be manually trued up on our commission runs. As of the May run, the new Corporate I.D.'s have taken affect and no manual true up of our run has been performed.

We would appreciate your help to ensure that TMB receives true up on all Frozen Foods Revenue.

Sincerely,



Frank O. Mitchell